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Required Report - public distribution

Date: 8/2/2011

GAIN Report Number: TH1099

Thailand

Rice Price - Weekly

Weekly Rice Price Update

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Report Highlights:

TH1099 Domestic and export prices declined 1-2 percent due to lack of foreign enquiries as prices remain volatile. Exporters expect that prices will likely stabilize next week when the new Government is officially installed.

Post:
Bangkok

Author Defined:
Market Tones

Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MT), Week ending Aug. 1, 2011

Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
F WR 100 B	1,040	-	-	-	1,040	1,035	-	1,038	1,047
WR 100 B	545	-	-	-	550	550	550	549	550
PB 100%	540	-	-	-	530	545	590	551	554
PB 5%	535	-	-	-	525	540	585	546	549
WR 5%	525	-	-	-	530	535	540	533	536
WR 10%	515	-	-	-	525	530	-	523	528
WR 15%	500	-	-	-	520	525	-	515	522
WR 25%	490	-	-	-	510	505	-	502	505
WR 35%	-	-	-	-	-	-	-	-	-
A1 SUP	455	-	-	-	450	455	-	453	450
A1 SPEC	-	-	-	-	-	-	-	-	-

Exchange rate: 29.60 baht/U.S.\$

Source: Average actual prices received from exporters

Domestic and export prices declined 1-2 percent due to lack of foreign enquiries, particularly for large-volume enquiries. Foreign buyers are in a wait-and-see approach as Thai rice prices remain volatile due to uncertainties in Thai rice trade policy as the new Government is being formed. Under the Paddy Mortgage Scheme, the Government is expected to hold large intervention stocks of MY2011/12 crop due to its aggressive intervention prices of 15,000 baht/ton (\$500/MT) for white rice paddy and 20,000 baht/ton for fragrant rice paddy (\$667/MT) which are 66.0 percent and 33.0 percent higher than current market prices. Exporters expect that prices will likely stabilize next week when the new Government is officially installed.

The government's weekly benchmark price for white rice for August 1-7, 2011 declined 2.1 percent. As such farmers will receive higher compensation compared to the previous week. Farmers that sell their supplies this week will not attain insurance price, as compensation will fall short due to higher benchmark price over market prices.

Table 2: Price Insurance Scheme for MY2009/2010 - MY2010/2011 rice crop

	Rice paddy				
	Fragrant rice (Hommati)	Provincial fragrant rice	Pathom fragrant rice	Glutinous rice	White rice
1. Eligible tonnage (ton/household)	14	16	30 ^d	30 ^d	30 ^d
2. Insured prices (Baht/ton) ^e	15,900	14,900	11,500	10,000	11,000
3. Benchmark prices (Baht/ton) ^{h,i}					
Jul 4-10	-	12,814	10,989	14,292	8,901
Jul 11-17	-	12,791	10,296	14,776	8,879
Jul 18-24	-	12,791	10,689	14,921	9,267
Jul 25-31	-	-	10,759	15,048	9,285
Aug 1-7	-	-	10,622	15,198	9,091
4. Compensation (1-2), (Baht/ton)					
Jul 4-10	-	1,486	1,111	-	2,099
Jul 11-17	-	1,509	1,204	-	2,121
Jul 18-24	-	1,509	867	-	1,798
Jul 25-31	-	-	747	-	1,715
Aug 1-7	-	-	878	-	1,909
5. Market prices (Baht/ton)					
Jul 4-10	19,900	12,750	10,750	16,750	9,050
Jul 11-17	15,050	12,750	11,250	16,750	9,200
Jul 18-24	15,050	13,000	11,750	16,750	9,100
Jul 25-31	14,450	13,000	11,750	17,250	9,100
Aug 1-7 ^f	14,450	13,000	11,750	17,250	9,000

Note:

^d Cabinet approval on March 8, 2010 to raise eligible tonnage to 30 tons/household for MY2010/11 off-season crop

^e Starting March 8, 2010 the benchmark prices will be published on a weekly basis instead of twice a month on the 1st and 16th, based on average wholesale prices of last 15 days in Bangkok. The prices are set by the Subcommittee on Benchmark Price Determination, chaired by the Permanent Secretary General of the Ministry of Commerce.

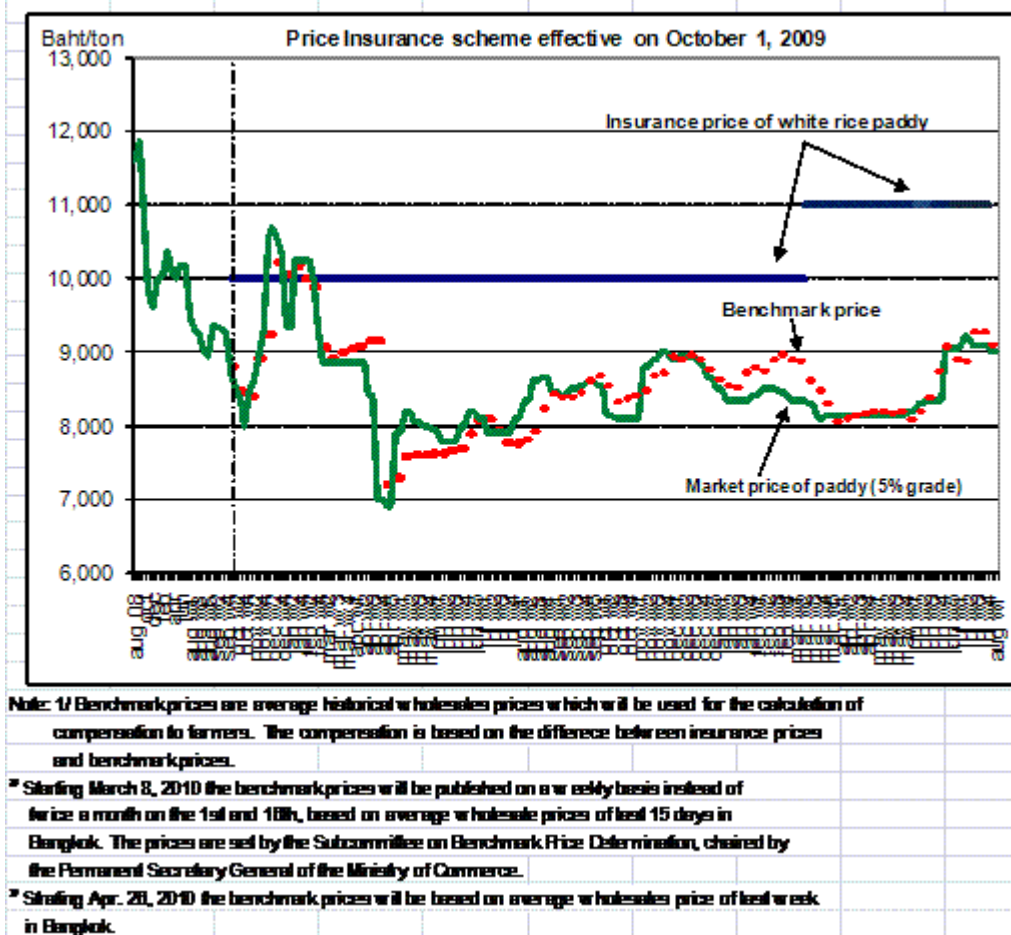
^f Starting Apr. 26, 2010 the benchmark prices will be based on average wholesale price of last week in Bangkok.

^g The insured prices of MY 2009/10 second-crop Pathom Fragrant rice were revised up from 10,000 baht/ton in MY2009/10 main-crop price insurance scheme, effective Mar. 16, 2010. In addition, the insured prices of MY2010/11 season-crop Pathom Fragrant rice were revised up again to 11,500 baht/ton, effective Mar. 16, 2011. Also, those of white rice were raised from 10,000 baht/ton to 11,000 baht/ton, and glutinous rice from 9,500 baht/ton to 10,000 baht/ton.

^h The benchmark prices of fragrant rice and Provincial fragrant rice are for MY2010/11 main crop.

ⁱ As of Aug 1, 2011

Figure 1: Comparison of market price, insurance price, and benchmark price



Rice Export Update

Unofficial rice exports (excluding fragrant rice) July 25 – 31, 2011 totaled 166,204 tons, down 10,276 tons from the previous week, and down 9,047 tons from the four week moving average of 175,251 tons. Exports of white rice and parboiled rice during January 1 – July 31, 2011 totaled 5,945,334 tons, up 74.1 percent from 3,415,301 tons in the previous year.

According to the Department of Foreign trade, Ministry of Commerce, total rice exports (including fragrant rice) during January 1 – July 27, 2011 amounted to 7,224,867 tons, up 57.7 percent from 4,581,108 tons in the previous year.

Table 3: Weekly rice exports (excluding fragrant rice)					
WEEK ENDING	QUANTITY	4-WK AVG	YEAR TO DATE	YEAR AGO	YEAR TO DATE AS % OF LAST YEAR
	(MT)	(MT)	(MT)	(MT)	(%)
May 22	182,980	208,741	9,901	2,324	67.9
May 29	238,188	209,790	4,199	2,438	70.1
Jun 5	242,665	214,521	4,982	2,567	70.7
Jun 12	235,908	224,785	4,618	2,649	74.9
Jun 19	206,226	230,747	4,824	2,754	75.2
Jun 26	234,849	229,912	5,059	2,854	77.3
Jul 3	185,298	215,570	5,244	2,941	78.9
Jul 10	191,263	204,909	5,438	3,044	78.6
Jul 17	165,055	194,616	5,609	3,184	76.0
Jul 24	176,480	180,024	5,779	3,305	74.9
Jul 31	166,204	175,251	5,945	3,415	74.1
<i>Note on data: Export figures since March 22, 2002, do not include fragrant rice. The authority to report fragrant rice exports was moved from the Thai Board of Trade to the Ministry of Commerce's Office of Commodity Standards, which does not release official fragrant rice export data. FASSTEC will report only official export numbers from the Board of Trade for non-fragrant and from the Office of Commodity Standards for fragrant rice when available, but the reader should bear in mind the differences between the data.</i>					
Source: Board of Trade of Thailand					

Table 4: Weekly private registered rice export sales			
Movement (MT)	July 11-15	July 18-22 (Preliminary)	July 25-29 (Preliminary)
Weekly sales	194,006	112,134	121,584
4 week sum	764,653	667,965	579,717
4 week mov. avg.	191,163	166,991	144,929
Year-to-date sales	6,175,871	6,288,005	6,409,589

End of report.